

# State Aid FAQs

## What is the state aid system and why do we have one?

The Minnesota State Legislature first created the state aid system in 1957, implementing various elements of the constitutional amendment approved by the voters in 1956. At that time, the County State Aid Highway system was 30,000 miles and the Municipal State Aid Street system (cities with a population greater than 5,000) was 1,200 miles. Currently, there are approximately 30,700 and 3,700 miles on the CSAH and MSAS systems, respectively.



The state aid road system was developed to provide vital, high-quality connections necessary for the overall state highway network to work well. However, not all local roads are on the state aid system. The roads that are on the state aid system typically carry heavier traffic volumes, connect major points of interest (i.e. isolated towns and communities, farms to markets, parks, industrial areas, etc.), and provide an integrated and coordinated road system.

## Where does funding come from for the state aid roads?

The 1956 constitutional amendment created the Highway User Tax Distribution fund, which is currently made up of revenues from the gas tax, license tab fees and the motor vehicle sales tax. Revenues from the HUTD fund are distributed in the following manner:

- 5 percent set aside and apportioned by law to the Township Road Fund, Township Bridge Replacement Fund and Flexible Highway Account, which is used for turnback projects
- For the remaining 95 percent:
  - 62 percent goes to the trunk highway system
  - 29 percent goes to the CSAH system
  - 9 percent goes to the MSAS system

## Does each county and city receive the same amount of state aid funds every year?

No. The amount of funding each county or city receives every year is based on a distribution formula that is established by statutes and the respective county and city screening boards. The CSAH the formula is based on equalization (i.e. each county receives an equal proportion



of the funds), vehicle registration, lanes miles and construction needs. The MSAS formula is based on population and construction needs.

In addition to the state aid funds they receive, many counties and cities use other sources of funding to continue to improve and maintain the state aid system as best as they can. Some of these sources include:

- Local levy
- Local bonding
- Special assessments
- Tax increment financing
- State bonds for local bridges
- State bonds for local road improvements
- Private funds
- Federal transportation funds

## Why are there state aid rules?

The state aid rules were established to provide counties and cities minimum standards for roads and bridges on the state aid system. They carry the force of law. These rules cover many items from designation and revocation of state aid routes; contract/bidding requirements; variances from the standards; local road research; minimum maintenance requirements; geometric standards (i.e. minimum lane, shoulder and parking widths); pavement structural strength; natural preservation routes, bicycle path standards and many more.

Since the rules were first established, they have been revised and updated 23 times, approximately every two and a half years. These revisions are typically done to react to changing environmental, economic, social and/or engineering conditions.

Any county or city that uses their state aid funds for reconstruction or construction projects must get approval from MnDOT State Aid prior to the opening of bids from the contractors. The plans the counties and cities submit to State Aid must be in compliance with the State Aid Rules. If the counties and cities determine that through their project development that they cannot meet the standards established by the rules, they can then seek a variance from those rules.

## What can state aid funds be spent on?

Counties and cities use the state aid funds that they receive for reconstruction/construction and maintenance activities on their state aid routes. Cities have a little more flexibility and are given the authority to use their municipal state aid construction funds on trunk highways and county state aid highways within their city.



They can use the funds on a wide range of items including paving, grading, sidewalks, trails, traffic signals, curb and gutter, bridges, storm sewer, street lighting, signs, and many other items.

## Who decides what state aid roads get improved or repaired?

The county boards and city councils, through the development of their capital improvement program, determine which state aid roads will be improved. They also determine the method and means as to how these roads will be improved.

## What does MnDOT's State Aid for Local Transportation do for local agencies?

The primary responsibilities of MnDOT's State Aid for Local Transportation typically fall into the categories of:

- Administration/distribution of funding
- Technical assistance
- Liaison between the local agencies and MnDOT

To support the state's system of local roads and bridges, state aid administers and distributes funds from the HUTD fund for highway maintenance and construction to counties, cities and townships based on a formula determined by the legislature. In addition to the HUTD funds, state aid also administers the federal transportation funding that is provided to the local agencies.

In addition to funding support, staff from state aid provides technical assistance in highway and bridge design, construction and maintenance practices, authorization of grants for bridge construction, coordination of local federally funded projects and overall management of the state aid system.

Lastly, state aid serves as a liaison between MnDOT and the county and city engineers to build upon a partnership that began over 50 years ago in creating a robust transportation system that serves all of Minnesota.

## For More Information

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